



General Assembly

February Session, 2008

***Amendment***

LCO No. 3881

**\*SB0027303881SR0\***

Offered by:  
SEN. FASANO, 34<sup>th</sup> Dist.

To: Subst. Senate Bill No. 273

File No. 254

Cal. No. 199

***"AN ACT CONCERNING REGULATION OF THE SECONDARY  
MARKET IN PHYSICIAN DISCOUNTS."***

1 After the last section, add the following and renumber sections and  
2 internal references accordingly:

3 "Sec. 501. Subsection (b) of section 38a-132 of the general statutes is  
4 repealed and the following is substituted in lieu thereof (*Effective*  
5 *October 1, 2008*):

6 (b) (1) The commissioner shall approve any merger or other  
7 acquisition of control referred to in subsection (a) of this section unless,  
8 after a public hearing, he finds that:

9 (A) After the change of control, the domestic insurance company  
10 referred to in subsection (a) of this section would not be able to satisfy  
11 the requirements for the issuance of a license to write the line or lines  
12 of business for which it is presently licensed;

13 (B) The effect of the merger or other acquisition of control would be

14 to substantially lessen competition of insurance in this state or tend to  
15 create a monopoly herein;

16 (C) The financial condition of any acquiring party is such as might  
17 jeopardize the financial stability of the insurance company or prejudice  
18 the interests of its policyholders;

19 (D) The plans or proposals which the acquiring party has to:  
20 [liquidate] (1) Liquidate the insurance company, (2) sell its assets, [or]  
21 (3) consolidate or merge it with any person, (4) restructure, reform or  
22 terminate existing contractual obligations with health care providers,  
23 or [to] (5) make any other material change in its business or corporate  
24 structure or management, are unfair and unreasonable to  
25 policyholders of the insurance company or health care providers  
26 having a contractual relationship with the insurance company and not  
27 in the public interest;

28 (E) The competence, experience and integrity of those persons who  
29 would control the operation of the insurance company are such that it  
30 would not be in the interest of policyholders of the insurance company  
31 and of the public to permit the merger or other acquisition of control;  
32 or

33 (F) The acquisition is likely to be hazardous or prejudicial to those  
34 buying insurance.

35 (2) For purposes of this subsection, "other acquisition of control"  
36 includes any offer, request, invitation, agreement, solicitation, or  
37 acquisition subject to section 38a-130."